

# The Importance of Having a Will



# Objectives

- Why is a will important
- Understanding the terms:
  - Beneficiary
  - Probate
  - Executor
  - Guardianship
- Pros and Cons of Various Options
- Cost of wills and estate planning
- Resources

# Why is a Will Important

- Who will get your assets when you die?  
(does NOT supercede beneficiary forms!)
- If you do not have a will (intestate) who will decide how your assets are distributed, and will it be to your liking?
- What happens when an estate goes through “probate”
- Tax implications
  - Inheritance
  - Estate



# Beneficiary

- An “Heir” is the person(s) or legal entity that receives assets as part of an estate settlement.
- A “Beneficiary” is the person(s) or legal entity that receives assets outside of the estate
- A Beneficiary Form instructs the financial institution who will receive your assets or benefits in the case of your death
- Assets controlled by Beneficiary forms include: insurance, 401k/IRA’s, annuities.
- Make sure you update all forms:
  - Change in marital status
  - Birth of children
  - Death of beneficiaries



# Probate

- Probate is the legal process of transferring property (real and personal) from the name of the decedent to the beneficiaries.
- Court supervised
- Must settle all debts and claims before distributing property
- Probate required if decedent passes Testate (with Will) or Intestate (without will)

# Executor

- Executor is the party recognized by the Probate Court to supervise the settlement of the estate
- Must collect and inventory decedents properties or assets, including determining fair market values
- Resolve any issues with creditors and pay administrative expenses
- Prepare and file tax returns



# Guardianship



- Families with minor children will appoint caretakers for those children in the event the parents die prematurely
- In the absence of these instructions, the Court will appoint a guardian

# Pros & Cons of Various Options

## Pros

- Basic Will
  - Simple low-cost
- Trusts
  - Can be customized
  - In some cases, provide protection from collections

## Cons

- Basic Will
  - May not be sufficient if you have children
- Trusts
  - May be expensive
  - Can limit your options in the future

# Cost of a Will

Costs will vary depending of where you live and complexity of your financial and family situation.

- Basic Will - \$20 (do it yourself) - \$100
- Health Care Proxy - \$0 (may be included in cost of other documents a lawyer would do as part of full estate planning)
- Power of Attorney – can be free to many hours of work by an attorney which can be \$200-\$500/hour
- Complex Estate Planning - \$200-500 per hour

# Resources

- [www.putitinwriting.org](http://www.putitinwriting.org)
- [www.aafp.org](http://www.aafp.org)
- [www.familydoctor.org](http://www.familydoctor.org)
- [www.aarp.org](http://www.aarp.org)

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